

Minutes of the Pre-Proposal Conference

January 21, 2011

At the U.S. Embassy Lisbon, Portugal

The meeting was called to order at 10:25 am. The Contracting Officer, Carlos I. Figueroa, welcomed all attendees and introduced the Embassy staff participating in this meeting and explained their role in the solicitation and award process: Jason Evans (Human Resources and Finance Manager HR), Adelia Monteiro (Procurement Agent), Carmo Mariano (HR Specialist,) Jose Gregorio (Procurement Assistant and minute taker)/

The following prospective offerors attended the meeting:

- Representatives from Companhia de Seguros Fidelidade-Mundial, SA
- Representatives from Lusitania, Companhia de Seguros, SA

Also attending the meeting was a representative from Villas Boas ACP – Corretores Associados de Seguros, Lda., the broker that has been working with the Embassy for the past years.

The Meeting Agenda was distributed to all attending the meeting as well as a copy of the questions and answers that were previously sent by the various prospective offerors. Attached to the questions and answers there were tables with health insurance claims history for the years 2006, 2007, 2008, 2009 and 2010, since these were requested by the majority of the prospective offerors. These, as well as the questions and answers, and copy of these meeting will be available at the FedBizOpps site as well at the Embassy site.

CO outlined one item on the chart for 2010 "Prosthesis & Orthoses". CO believes are the figures for 2010 are not accurate, even though they were provided by the incumbent, based on the previous years' expenses. So, he recommended to the prospective offerors to do their assessment based on the history of claims for the prior years.

The Contracting Officer (CO) explained briefly the conference parameters and that all additional complex questions would have to be submitted in writing and would be answered subsequently. He also indicated that any changes to the solicitation would be done in the form of written amendments and will be sent to the prospective offerors and must be acknowledged in writing on SF 33 (Item 14), Page 1 of the solicitation.

CO informed all present that all the information regarding this solicitation will be available to all. It was also indicated that the solicitation and the whole contracting process is in accordance with United States Government (USG) regulations, i.e. Federal Acquisition Regulation (FAR), Department of State Acquisition Regulations (DOSAR) and the Office of the Procurement Executive, which supervises all contracting activity.

CO explained his roles and duties on behalf of the United States Government (USG) as well that of the Contracting Officer's Representative (COR), that in this particular contract will be Carmo Mariano, Human Resources Specialist.

CO indicated that the dead line for presentation of proposals will be February 7, 2011 by 16:00 at the US Embassy, Av. das Forças Armadas, Lisbon.

The CO outlined the fact that offerors should follow all the necessary procedures and formats for proposal presentation in order to avoid exclusions. It was indicated that an Embassy Evaluation Committee will be analyzing all proposals. Once the offeror is selected CO and the insurance company will sign the USG contract.

One of the participants asked who should be responsible to fill out the proposal's front page.

CO said that it would be up to the Embassy to fill out the front page, the Award Part; however the Offeror will have to fill out Item 15. through Item 18. as well as Item 14. "Acknowledgment of Amendments", in case there are amendments to the solicitation.

CO referred to Section B of solicitation and emphasized that this is a fixed price contract for one base year contract plus with four optional years. According to the CO, it may sound that there is no room for flexibility, however, it should be stressed out that this contract is fixed price with an economic adjustment clause. The base year price, cannot be changed; only subsequent option years are liable to economic price adjustments provided the company furnishes all necessary data, which is also detailed on Item B.4.1. Companies may request price adjustment as a result of laws enacted by the host Government as described in B.4.2.

One of participants asked if the contractor can terminate the contract, for unforeseen reasons, before the end of 4 option years, for example at the end of third year.

CO indicated that the response will post it in our site in with all the other questions and answers. The questions and answers will be available at the Embassy site:

<http://portugal.usembassy.gov/gso-announcements.html>

According to the CO, a one year contract with four option years is much simpler to work with. The Contractor will be informed in advance, on a yearly basis, of the Government's intention to exercise the respective option.

CO went over B.3.1, particularly "retention amount", which according to this paragraph "will not be adjusted for any reason". He further indicated that as also stated in this paragraph "the retention amount is part of the premium and may include, but not limited to, such costs as overhead and general administrative costs. It will also include any profit."

At this point Carmo Mariano, COR, went over in detail Section C of the solicitation which describes in detail the statement of work.

A question was asked regarding the hospital emergency services that were not referred in Exhibit A.

Carmo Mariano explained that Exhibit A is merely a summary of the benefits. However, the medical emergency services are referred in C.1.2.3.1 and the respective co-payment is referred in C.1.1.3.

Carmo also added that the total responsibility to each insured person is €20,000 per year. This amount applies for all medical categories.

Carmo went over Page 10, C.1.9. "Physical therapy" - Contractor will pay inside the network 80% of all charges and not 90% erroneously mentioned in the solicitation. An amendment will be issued to correct this percentage.

Carmo Page 10, C.1.1.13. "Expenses Incurred Out-of-Country - The fact that many employees have to travel abroad on training was mentioned in the meeting. According to the prospective offerors, all insurance expenditure will be reimbursed according to the plan.

One of the participants asked if the insurance policy would cover treatments or surgeries abroad.

CO indicated that it will cover, on a reimbursable basis, up to the coverage caps, only in emergency, and if the person(s) are already abroad on vacation or on official trips. Second opinions on treatments abroad in any other circumstance are not part of the coverage.

One of the prospective offerors indicated that their policies do not have network for opticians, therefore claims for glasses or contact lenses are treated as out of the network. Would this fact be an impediment for ineligibility?

According to the CO, the fact alone should not be determinant to disqualify a proposal since our plan has both options, in and out of the network. However, the answer will follow in writing.

All proposals must include HIV coverage mandatory clause. It would not be permitted to remove this clause from the policy. Should there be any occurrences all reimbursements should fall within the existing reimbursement caps. It was also mentioned that all exclusions do not differ from those already in the policies of most insurance companies. It was emphasized that emergency situations are explained in detail in the solicitation in Item C.1.2.3.1.

Further in the meeting, it was mentioned that coverage limits could be extended to the legal working age of 70. The same would be applicable to insured dependents. Unmarried dependents could be under the insurance policy up to the age of 24, as long as they are full time students and single. Grace periods are 60 days for new employees, except for medical emergencies, including hospitalization, caused by accidents. Insurance transfers will not be subject to the grace period, except newly hired employees that do not enroll at the time of hire. There is also a childbirth grace period, for new employees enrolled in the plan of 365 days.

Fernando Horta e Costa, in his capacity as insurance broker, mentioned that over the past years 85% of Embassy claims have been within the network.

One participant asked who makes the decision whether or not to use a broker services?

CO indicated that it would be up to the insurance company and if it is a local practice, the Embassy would not have any objection to using a broker services.

The CO highlighted some the important items on the solicitation as follows:

On page 17 of the solicitation, it is mentioned that the contractor should furnish all employees a company brochure describing all kinds of services provided.

On page 21 "Inspection and Acceptance" - The Embassy manages the contract, however expects to receive regular performance reports.

On Page 23 "Performance period" - The Embassy will be giving the contractor enough notice whether or not it will exercise the option, this is done on annual basis.

Page 24 - COR – Contracting Officer Representative will be appointed at the time of award of contract.

On invoicing CO indicated that the Contractor should issue quarterly invoices and they should have two separate line items one for the services and another for VAT.

The CO reviewed SECTION H of the solicitation and outlined the following items:

H.4. "Contractor Responsibility in claims and Reimbursement to Claimants" - All reimbursements are made to the employees by bank transfer (EFT).

H.5. "Report Requirements" - The contractor shall provide reports to the embassy on a regular basis.

H.6.2 "Licenses and Local Laws" – All licenses shall be provided to the Embassy by contractor.

The CO indicated that all FAR clauses listed are available online and may be accessed in full. Some would apply to the contractor, other not.

CO reviewed Section K of the solicitation and highlighted taxpayer ID number is not required for foreign corporation, however the offeror which should fill out all applicable items.

The CO reviewed in some detail Section L (Page 52) and outlined the importance of following the instructions on this section. Plan Administration (L.4.3.1. b) was reviewed and CO stated the importance of offerors demonstrating how they intend to perform the contract and mentioned again licensing/certification information required upon submission of the proposals.

CO stated that financial statements will be requested, according to Item L.9 of the solicitation.

CO mentioned the fact that award determination will be made after all proposals are overall evaluated.

The contract will be done in English. No translations will be provided. Additional questions may be addressed in writing.

The following question was asked one of the prospective offerors:

If there is a dispute, which law prevails?

CO replied by stating that for example if there were evidences of the existence of fraudulent claims presented by the employees or health insurance providers, then Portuguese laws would prevail. Another example might be where there is a claim issue between an employee and the insurance company; it should be resolved between these two parties.

However, in breach of a contract claim, then it would be the United States law that will apply.

The deadline for submission of proposals is February 7, 2011.

All questions and answers will be available at the Embassy website and on FedBizOpps.

The meeting was adjourned at 12:10 p.m.